

File

PARAMAQUE MINES LIMITED

ANNUAL REPORT

For the Year Ended December 31, 1966

PARAMAQUE MINES LIMITED

OFFICERS

S. A. PERRY - - - - - *President*
WM. PLEXMAN - - - - - *Managing Director*
G. D. PATTISON - - - - - *Vice-President*
R. D. BELL - - - - - *Secretary-Treasurer*

DIRECTORS

JOHN MAIDLOW - - - - - Toronto, Ont.
G. D. PATTISON - - - - - Aurora, Ont.
S. A. PERRY - - - - - Toronto, Ont.
WM. PLEXMAN - - - - - Toronto, Ont.
E. K. WAUGH - - - - - Willowdale, Ont.

BANKERS

CANADIAN IMPERIAL BANK OF COMMERCE Toronto, Ont.

AUDITORS

THORNE, MULHOLLAND, HOWSON & MCPHERSON
Toronto, Ont.

TRANSFER AGENT AND REGISTRAR

CROWN TRUST COMPANY - - - - - Toronto, Ont.

HEAD OFFICE

Suite 509, 25 Adelaide Street West - Toronto 1, Ont.

PARAMAQUE MINES LIMITED

Suite 509, 25 Adelaide Street West

TORONTO 1, ONTARIO

Directors' Report

To the Shareholders,

PARAMAQUE MINES LIMITED.

Your Directors present herewith the financial statement of your Company for the year ended December 31, 1966, with Auditors' Report thereon dated January 16, 1967.

During the summer of 1966 the Company carried out an extensive exploration program on a group of twenty-five mining claims adjoining the Noranda Exploration Co. property in Watten and Halkirk Townships, Fort Frances Mining Division, Ontario. A geophysical survey was completed on this property and several strong electromagnetic anomalies were outlined. Surface stripping and trenching in the western part of the claim group uncovered a wide zone of sulphide mineralization carrying low copper values.

A program of diamond drilling consisting of six holes and totalling 2012.0 feet was carried out. Chalcopyrite mineralization was obtained in all the holes, but the tenor of the copper was too low to be of economic grade. An option on seven of the claims has been allowed to lapse. The balance of eighteen claims is being maintained in good standing until results of the development of the adjoining property of Noranda Exploration Co. are known.

In November, 1966 Paramaque Mines Limited, acquired an option on the Garvey base metal property located in Elmhirst Township, Port Arthur Mining Division, Ontario. This property consists of three mining claims. The showing consists of massive and disseminated zinc-copper sulphides having a maximum width of 14 feet and traced for a distance of 350 feet in a northeast-southwest direction. Along the south edge of the zone heavy sphalerite occurs across a width of 4 feet. Grab samples taken from the more massive material have assayed better than 20.0% zinc, 3.0% copper, 6.0 ozs. silver, and 0.16 ozs. gold. Diamond drilling on this promising prospect will get underway as soon as a drill can be made available.

The group of fourteen mining claims situated in Langmuir Township, Ontario, adjacent to the northwest of a property held by Mining Corporation of Canada Limited, in the south Timmins area is being held in good standing. Several interesting magnetic anomalies remain to be tested on this property.

The Company's property in Reid Township, Ontario, as well as the properties in Bourlamaque and Destor-Dufresnoy Townships, Quebec are also being held in good standing.

An option on nine mining claims in the Township of Rathbun, Sudbury Mining Division, Ontario has been allowed to lapse.

On behalf of the Board of Directors,

Toronto, Ontario,
March 20, 1967.

S. A. PERRY

President.

PARAMAQUE MINES LIMITED

Incorporated under the laws of Ontario

Balance Sheet – December 31, 1966

ASSETS

CURRENT ASSETS:

Cash	32,904	
Accountable exploration advance	1,000	
Marketable securities at cost (market value \$2,300)	3,282	37,186
LOAN TO ANOTHER MINING COMPANY		1,000
MINING CLAIMS AND OPTION (Note 2)		1,032,800
DEFERRED EXPLORATION AND DEVELOPMENT EXPENDITURES		206,008
		<u>\$1,276,994</u>

LIABILITIES

CURRENT LIABILITIES

Accrued liability	300
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SHAREHOLDERS' EQUITY

CAPITAL STOCK (Note 3)

Authorized, 7,500,000 shares, par value \$1 each		
Issued, 5,366,705 shares	5,366,705	
Less discount thereon	3,776,610	
	1,590,095	
DEFICIT	313,401	1,276,694
		<u>\$1,276,994</u>

The accompanying notes are an integral part of this statement.

Approved on behalf of the Board.

WILLIAM PLEXMAN Director.

G. D. PATTISON Director.

AUDITORS' REPORT

To the Shareholders of
Paramaque Mines Limited

We have examined the balance sheet of Paramaque Mines Limited as at December 31, 1966 and the statements of deferred exploration and development expenditures, deficit and administration expenditures for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet and statements of deferred exploration and development expenditures, deficit and administration expenditures present fairly the financial position of the company as at December 31, 1966 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year, except for the change in accounting practice explained in note 1, which change we approve.

Toronto, Canada,
January 16, 1967.

THORNE, MULHOLLAND, HOWSON & McPHERSON
Chartered Accountants.

PARAMAQUE MINES LIMITED

Statement of Deferred Exploration and Development Expenditures

Year ended December 31, 1966

Balance at beginning of year	176,228
EXPENDITURES DURING YEAR	
Assays	686
Consulting and engineering fees	2,765
Diamond drilling	10,315
Government fees and licenses	1,255
Linecutting	3,941
Managing director's salary	6,000
Supplies	395
Surveys	9,725
Transportation	4,148
Wages	750
General expenses	331
	<u>40,311</u>
	216,539
Exploration and development expenditures transferred to deficit	<u>10,531</u>
Deferred exploration and development expenditures on mining claims in good standing	<u>\$ 206,008</u>

(Summarized as follows)

LOCATION	Balance at beginning of year	Expenditures during year	Transferred to Deficit	Balance at end of year
Bourlamaque Township, Quebec	123,488	392		123,880
Destor and Dufresnoy Townships, Quebec ..	16,095	666		16,761
Langmuir Township, Ontario	17,007			17,007
Rathbun Township, Ontario	253	3,958	4,211	
Reid Township, Ontario	19,385			19,385
Watten Township, Ontario		28,975		28,975
General exploration		6,320	6,320	
	<u>\$176,228</u>	<u>\$40,311</u>	<u>\$10,531</u>	<u>\$206,008</u>

PARAMAQUE MINES LIMITED

Statement of Deficit

Year ended December 31, 1966

Deficit at beginning of year			197,038
<i>Add:</i>			
Administration expenditures, current and prior years	113,105		
Options on mining claims abandoned:			
Payments (Note 2)	3,500		
Exploration and development expenditures thereon	<u>4,211</u>	7,711	
General exploration written off		<u>6,320</u>	127,136
			<u>324,174</u>
<i>Deduct:</i>			
Profit on sale of marketable securities			<u>10,773</u>
DEFICIT AT END OF YEAR			<u><u>\$ 313,401</u></u>

Statement of Administration Expenditures

Year ended December 31, 1966

Deferred administration expenditures at beginning of year			104,026
EXPENDITURES FOR YEAR			
Audit	300		
Directors' fees	1,000		
Government fees and taxes	110		
Head office administration	3,300		
Legal	1,112		
Listing expense	350		
Shareholders' information	2,051		
Rent	600		
Transfer agent's fees and expenses	1,314		
General expenses	<u>310</u>		
	10,447		
Less interest earned	<u>1,368</u>	9,079	
Administration expenditures, current and prior years, transferred to deficit			<u><u>\$ 113,105</u></u>

PARAMAQUE MINES LIMITED

Notes to Financial Statement

Year ended December 31, 1966

1. CHANGE IN ACCOUNTING PRACTICE:

In prior years, administration expenditures have been included in deferred charges. These expenditures for the current year are reflected in the statement of administration expenditures and have been transferred to deficit together with those deferred at the beginning of year.

2. MINING CLAIMS AND OPTION:

12 claims in Bourlamaque Township, Quebec, acquired for 1,000,000 shares valued at \$1 each and \$8,000 cash	1,008,000
15 claims in Destor and Dufresnoy Townships, Quebec, acquired for cash	500
3 claims in Elmhirst Township, Ontario, held under option (see below)	300
14 claims in Langmuir Township, Ontario, acquired for cash	12,000
16 claims in Reid Township, Ontario, acquired for cash	1,000
18 claims in Watten Township, Ontario, acquired for 40,000 shares valued at 15¢ each and \$5,000 cash	11,000
	<u>\$1,032,800</u>

By an agreement dated November 21, 1966, the company obtained by payment of \$300 an option to explore, examine, and acquire 3 mining claims in Elmhirst Township, Ontario.

To keep the option in good standing the company must make additional payments as follows:

\$ 700 on or before February 7, 1967 to extend the option to May 7, 1967
2,000 on or before May 7, 1967

To fully exercise the option the company must make the required payments and in addition, on or before May 7, 1967, must cause to be allotted and issued to the optionor 50,000 shares of the company's capital stock.

During the year the company allowed the following options on mining claims to lapse and the cost of these options has been transferred to deficit.

9 claims in Rathbun Township, Ontario, acquired December 6, 1965 at a cost of	2,000
7 claims in Halkirk and Watten Townships, Ontario, acquired July 13, 1966 at a cost of	1,500
	<u>\$3,500</u>

3. CAPITAL STOCK

	<i>No. of shares and par value</i>	<i>Discount</i>	<i>Net</i>
Balance at beginning of year	4,926,705	3,402,610	1,524,095
Issued during year:			
For cash pursuant to an underwriting agreement dated July 5, 1966	400,000	340,000	60,000
For mining claims pursuant to an agreement dated June 29, 1966	40,000	34,000	6,000
Balance at end of year	<u>\$5,366,705</u>	<u>\$3,776,610</u>	<u>\$1,590,095</u>

